



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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January 31, 2000

Mr. Pat Gochnour
Gochnour & Associates, Inc.
5231 South Quebec
Greenwood Village, CO 80111

Re: Exploration Amendment Within Large Mine Permit Area, Summo USA Corporation - Lisbon Valley Mining Co., LLC, Lisbon Valley Copper Project, M/037/088 (UTU-72499, ML-20569), San Juan County, Utah

Dear Mr. Gochnour:

Thank you and Messrs. Prescott and Bauer for arranging the January 20, 2000, joint agency site inspection. The inspection provided verification of the 1999 reclamation work which will allow for a partial release of surety in recognition of the completion of earthwork. As stated in our January 10, 2000 letter, these reclaimed areas cannot be fully released until revegetation has been successful.

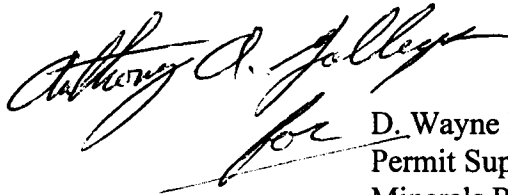
We have received a copy of the January 25, 2000 BLM letter to you, allowing a reduction in reclamation surety in recognition of the verified site reclamation. From discussions with Will Stokes, we understand a similar letter from the School and Institutional Trust Lands Administration is forthcoming. We can now allocate \$7,166 of the 1999 surety as reclamation surety for the proposed 2000 project. The estimated reclamation cost for the proposed project is \$5,250 which leaves an excess of \$1,916 which could be held to ensure revegetation success for the 1999 project.

Before we can issue our final approval for the proposed 2000 project, Summo will need to provide a new reclamation contract and revised Attachment A similar to those submitted for the 1999 project. The new reclamation contract should reference the 0.825 acre increase in disturbed area from 3.59 acres to a new total of 4.42 acres. The disturbance from the 1999 project would still be included in the disturbed acreage because those areas are not yet successfully revegetated. The legal description on Attachment A should be revised to include a description of this second amendment in a fashion similar to that for the 1999 proposal. A copy of the current reclamation contract is enclosed to assist you in preparing the new contract and attachment.

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Pat Gochnour
M/037/088
January 31, 2000

If you have any questions regarding this letter or the reclamation contract information please contact me at (801) 538-5286 or Tony Gallegos at (801)538-5267. The Division's final approval for the 2000 project will be issued after the new reclamation contract is received and determined acceptable.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Wayne Hedberg". The signature is fluid and cursive, with a long horizontal stroke at the end.

D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb

Enclosure: copy of the 1999 Reclamation Contract

cc: Bob Prescott, Summo
Bill Stringer, BLM Moab FO
Will Stokes, SITLA
Mary Ann Wright, DOGM

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